

City of Shannon Hills, Arkansas
Special City Council Meeting
Sept 20, 2005

The Mayor called the meeting to order at 6:30pm
The Mayor led the pledge of Allegiance.

Roll Call: Present were Mayor Larance Davis, Recorder-Treasurer Curtis Wilson, Aldermen Robin Baker, Bobby Riley, James Smith, Dave Holsomback and Diane Everett. Alderman Mike Kemp was absent

Item 1: High speed internet service for the city.

Mayor Davis introduced Mr. Doug Hendrix of Arkansas Digital Services. He reminded the council and others in attendance that Mr. Hendrix had presented a proposal at a regular council meeting in May in which he described the services that his company could provide and the approximate cost. Mr. Hendrix was invited to present current information to the council.

Mr. Hendrix reported that, with approval by the council, his company would install a transmitter/Receiver on top of the water tower that is currently under construction. The unit would provide service to all houses that have, or an establish a "line of sight" connection with the tower. The unit that would be installed at each customer's house could be mounted on their house, on a pole or other device that would aid in establishing the required "line of sight" condition. Initial installation cost was reported to be Three Hundred Thirty Dollars, (\$330.00). Monthly fees are expected to be about Forty Dollars, (\$40.00), per month.

With respect to paying for the initial installation fees in two or three payments. Mr. Hendrix stated that that may not be possible until after about fifty initial customers were signed up. After financial stability was achieved the option to pay for installation in two or three monthly payments may be a possibility.

A concern was raised about using the water tower, which was financed with tax free bonds, as a component in a money making process. Mayor Davis reported that he had posed that question to people involved in the construction and financing of the water tower and was waiting to hear back from them but that preliminary reports were that there would be no problems in that area.

A question was asked about exclusivity of the service. It was agreed that because Charter Communications had provided cable service for some time in the city, they should be allowed to continue to offer their service within the city. Also, because Southwestern Bell has infrastructure in place that could be used to provide wired service that they should be allowed to offer high speed internet service if they chose to do so. However, no other competition would be allowed.

Following some additional discussion about means of providing service to fringe area customers, a motion was made by Alderman Baker with a Second from Alderman Riley that Pending confirmation from Crews & associates that the use of the water tower for the proposed purpose is lawful, Arkansas Digital Services be authorized to provide Wireless

High Speed Internet Service to the city. The provider would pay the city One Hundred Dollars (\$100.00) per month Plus one Dollar, (\$1.00) per customer, per month, as a franchise fee. Further, only Charter communications and Southwestern Bell will be allowed to offer competitive service within the city.

IN a roll call vote, Aldermen Riley, Smith, Holsomback, Everette and Baker voted 'Yes' There were no "No" votes. Alderman Kemp was absent. The motion passed.

Comments:

None.

A Motion to Adjourn was made by Alderman Riley. A second was supplied Alderman Baker. The motion was approved by voice vote with no opposition.

The Meeting Adjourned at 7:00pm.

Date: _____

Approved: _____
Larance Davis, Mayor

Attest: _____
Curt Wilson, Recorder-Treasurer